

(k) *Multipurpose facilities* means facilities which are primarily for teaching purposes, but which are also for research, or research and related purposes, in the sciences related to health (within the meaning of part A of title VII of the Act) or for medical library purposes (within the meaning of part J of title III). The Secretary may determine “to be primarily for teaching purposes” any facilities with respect to which he determines that the health professions teaching portions of such facilities, including research and library space essential for teaching purposes, will substantially exceed the total of the research and library portions which are not essential for teaching taken together.

(l) *Completion of construction* means that date on which the Secretary determines, on the basis of certification by the grantee, that the project is completed: *Provided, however*, In the event the grantee occupies the project prior to the date of such certification, the Secretary shall be immediately notified of such occupancy, and “completion of construction” shall be deemed to have occurred with respect to the project as of the date of such occupancy.

#### § 57.103 Eligibility.

In order to be eligible for a construction grant under part B of the Act, the applicant shall:

(a) Meet the applicable requirements of section 721(b) of the Act;

(b) Be a public or nonprofit private school of medicine, dentistry, osteopathy, pharmacy, optometry, podiatry, veterinary medicine, public health, or any combination thereof, or an affiliated hospital or affiliated outpatient facility;

(c) Be located in a State, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, the Canal Zone, American Samoa, the Trust Territories of the Pacific Islands or Guam;

(d) Except in the case of an application with respect to an affiliated hospital or affiliated outpatient facility, be accredited by a recognized body or bodies approved for such purpose by the Commissioner of Education, except that a new school which (by reason of

no, or an insufficient period of, operation) is not, at the time of making application for the construction grant, eligible for accreditation by such recognized body or bodies shall be deemed accredited for purposes of receiving a grant if the Commissioner finds, after consultation with the appropriate accreditation body or bodies, that there is reasonable assurance that the school, after completion of the facility and at or prior to the time of graduation of the first class to use such facility, will have met the accreditation standards of such body or bodies: *Provided*, That, in the case of an application from a combination of schools, each constituent school must meet the requirements of this paragraph;

(e) In the case of an application with respect to an affiliated hospital or outpatient facility, have its application approved by the school of medicine, osteopathy, or dentistry with which the hospital or outpatient facility is affiliated;

(f) In the case of an application with respect to the construction of multipurpose facilities, provide evidence satisfactory to the Secretary that such facilities will be used primarily for teaching purposes, and that such facilities are otherwise eligible under part B of title VII of the Act;

(g) In the case of a project for the construction of a facility intended, at least in part, for the provision of health services, provide an opportunity for comment with respect to such project to

(1) The State agency administering or supervising the administration of the State plan approved under section 314(a), and

(2) The public or nonprofit private agency or organization responsible for the plan or plans referred to in section 314(b) and covering the area in which such project is to be located or if there is no such agency, such other public or nonprofit private agency or organization (if any) as performs, as determined in accordance with criteria of the Secretary, similar functions;

(h) In the case of an application with respect to interim facilities, provide assurance satisfactory to the Secretary that such facilities are designed to provide teaching space on a short-term

(less than 10 years) basis while facilities of a more permanent nature are being planned and constructed;

(i) Provide its assessment of the environmental impact of the project as called for by section 102(2)(c) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(c));

(j) Furnish its evaluation of the project site in accordance with the terms and provisions of E.O. 11296, 31 FR 10663 (August 10, 1966) relating to the evaluation of flood hazards in locating federally owned or financed facilities.

#### § 57.104 Priority.

(a) Priority in approving applications for construction grants shall be determined in accordance with the factors specified in section 721(d) of the Act, and the following:

(1) The relative need for increased enrollment and the availability of students;

(2) The relative effectiveness of the project in accomplishing the purposes of the Act at the least relative cost to the Federal Government;

(3) The relative ability of the applicant to make efficient and productive use of the facility constructed; and

(4) Such other pertinent factors as the Secretary may specify;

(b) The Secretary shall give special consideration to grant applications to assist in the construction of new schools of medicine, osteopathy, and dentistry, where such applications contain or are reasonably supported by assurances that, because of use by such school of existing facilities (including Federal medical or dental facilities), the school will be able to accelerate the date on which it will begin its teaching program.

#### § 57.105 Percentage of participation; amount of construction grant.

(a) *Percentage of maximum participation.* (1) The amount of any construction grant made under part B of title VII of the Act and pursuant to this subpart may not exceed 70 percent of the necessary cost of construction of a project as determined by the Secretary, except:

(i) In the case of a project with respect to a school of public health, the amount of such grant may not exceed

75 percent of the necessary cost of construction; and

(ii) In the case of (a) a project with respect to a new school; (b) a project constituting new facilities which will result in a major expansion of training capacity at an existing school in accordance with paragraph (a)(2) of this section; (c) all or so much of a project constituting a major remodeling or renovation of an existing facility which is required by a school to meet an increase in student enrollment; or (d) any other project where the Secretary determines that unusual circumstances require a larger percent of participation in order to carry out the intent of part B of title VII of the Act the amount of such grant may not exceed 80 percent of the necessary cost of construction.

(2) For purposes of paragraph (a)(1) of this section:

(i) A major expansion of training capacity at an existing school shall be construed to mean that the full-time first-year enrollment at such school, upon completion of construction, will exceed the highest full-time first-year enrollment at such school for any of the 5 full school years preceding the year in which the application for a construction grant is made by not less than 40 students or 40 percent, whichever is greater: *Provided, however,* That where the Secretary determines with respect to a particular school that such increased enrollment cannot be achieved until the second or third full school year after completion of construction, he may determine that the requirements for a major expansion of training capacity are met for each of the first or second full school years after completion of construction, if during such first or second full school year the increase in first-year enrollment will equal such amount in excess of 5 percent or five students, whichever is greater, as the Secretary may specify;

(ii) A major remodeling or renovation of a facility shall include only that portion of remodeling or renovation which is necessary to meet an increase in student enrollment, which increase shall be construed to mean that, during the first full school year after completion of construction and for